



Refund Claims for RAR Liabilities Paid Under Amnesty

Informational Bulletin

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Director of Revenue

For information or forms...

- ◆ Call us at:
1 800 732-8866 or
217 782-3336
- ◆ Call our TDD
(telecommunications device
for the deaf) at:
1 800 544-5304
- ◆ Write us at:
Illinois Department of Revenue
P.O. Box 19044
Springfield, IL 62794-9044
- ◆ Visit our Web site at:
www.ILtax.com
- ◆ Call
our 24-hour
Forms Order Line at:
1 800 356-6302

*This bulletin is written to
inform you of recent
changes; it does not replace
statutes, rules and regula-
tions, or court decisions.*

To:

All tax professionals and taxpayers who paid a tax liability under amnesty and expect a refund based on anticipated changes to federal liabilities.

The purpose of this bulletin is to clarify when a taxpayer may file a claim for refund for liabilities that were paid under the Illinois Department of Revenue's Amnesty program that was held October 1, 2003, through November 17, 2003.

Many taxpayers filed amended returns and reported federal changes that had not become final in order to avoid the doubling of penalties and interest as a result of not paying liabilities during the amnesty period, with the understanding that they would be able to claim a refund once the federal audit was completed.

What is the normal statute of limitations for filing a claim for refund?

The Illinois Income Tax Act (IITA) specifies that refund claims must be within the latter of

- ◆ three years from the date the taxpayer's original return was filed for the taxable year, or
- ◆ one year after a payment was made.

Can the statute of limitations for refunds be extended?

Yes. The department may enter into an agreement with a taxpayer to extend the period for filing a refund claim.

However, if a refund claim is not filed within the statutory or extended time frame, no refund may be paid.

How are the statute of limitations and extensions affected by the amnesty program?

The rules for the amnesty program do not make exceptions for the existing rules. Any taxpayer that paid a liability under the amnesty program is eligible to file a claim for refund within the limitations of the IITA.

I am under audit for a year that I made an amnesty payment. Can I file a claim for refund?

Yes. If you are currently under audit for the year you made an amnesty payment, you should file an extension agreement with your auditor before the limitations period for filing a refund claim has expired.

Taxpayers who have already entered into an extension agreement for a year that an amnesty payment was made will be able to file refund claims or further extensions covering their amnesty payments at any time before the existing agreement expires.

If I am not under audit, but believe that I have overpaid my liability for an amnesty year, can I file a claim for refund?

Yes. However, taxpayers who are not currently under Illinois audit must enter into a written agreement with the department to extend the statute of limitations, or file a claim for refund within the statute of limitations period.

You may contact the Illinois Department of Revenue, Legal Services Office at 217/524-3951 for more information.

What forms should I file?

There are no special forms to file in order to enter into a written agreement to extend the statute of limitations

If you are filing a claim for refund, you must file the correct amended return. If you are unsure what amended return to use, you can contact our 24-hour forms order line listed on the front of this bulletin.

What if my claim for refund is denied?

If a refund claim is denied, you must file a protest within the statutory period in order maintain your rights to the refund.

